GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2935
ANSWERED ON:22.08.2006
NON TARIFF BARRIERS .
Badiga Shri Ramakrishna;Pallani Shamy Shri K.C .

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the Government has conducted any study on trade and tariff barriers between India, its neighbouring and other countries;

(b) If so, the details thereof;

(c) Whether the Government has introduced any tariff concession on the goods or proposes to reduce the import of various commodities from these countries;

(d) If so, the details thereof;

(e) Whether the non-tariff barriers, especially in the processed food sector is crippling the export potential from India;

(f) If so, the details of major trading partners who are imposing NTBs on Indian exports;

(g) Whether India has raised its point of view of NTBs in the ongoing WTO negotiations; and

(h) If so, the view of other developing countries on this issue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) & (b): Yes Sir, the Department of Commerce has conducted studies on non tariff barriers (NTBs) faced by India on its exports to neighbouring countries and other trading partners. The Department of Commerce undertook a study on "Non- Tariff Barriers faced by India and Policy Measures" in 2001. The Department also got studies conducted by the Indian Council for Research on International Economic Relations (ICRIER) on "Non Tariff Barriers on India's Trade with Pakistan" and by the Economic Laws Practice (ELP) on "Understanding Non-tariff Requirements to Expand Trade with Bay of Bengal Initiative for Multi Sectoral Technical & Economic Co-operation (BIMSTEC) Countries" in 2006.

(c) & (d): As a part of the commitments made by India in the Uruguay Round of trade negotiations at the World Trade Organisation, India reduced its weighted tariff average from 71.4% to 32.4%. India is also engaged in Free Trade Agreements (FTAs), Preferential Trade Agreements (PTAs) and other Regional Trade Arrangements where tariff concessions are exchanged with the following countries/ regions:

(i) FTAs or Framework Agreements for establishing free trade areas or economic co-operation have been signed with Sri Lanka, Bhutan, South Asian Association for Regional Co-operation (SAARC) countries, Thailand, BIMSTEC members, Association for South East Asian Nations

(ASEAN) and the Gulf Co-operation Council (GCC)

(ii) PTAs have been signed with the MERCOSUR countries

(Argentina, Brazil, Paraguay and Uruguay), Chile and Afghanistan.

(iii) India is a member of two PTA's namely the Global System of Trade Preferences (GSTP) and the Bangkok Agreement, which has been renamed as the Asia Pacific Trade Agreement (APTA).

(iv) A Comprehensive Economic Cooperation Agreement (CECA) has been signed with Singapore

The tariff reductions and eliminations under these FTAs/ PTAs and other Regional Trade Arrangements vary from product to product and the concessions range from 0 - 100 percent. Under each FTA usually there is a negative list, on which no tariff reduction is offered; and a phased tariff reduction programme where tariffs are reduced over an agreed period of time.

(e) to (f): Non-Tariff Barriers, especially in the processed food sector have affected India's exports. Indian exporters have faced NTBs in exporting to Australia, Canada, China, European Communities, Indonesia, Iran, Japan, New Zealand, Philippines, Russia , Sri Lanka and the United States.

(g) & (h): Yes Sir, several developing countries, including India, have referred to NTBs as an issue of significant interest to them and have sought suitable remedies to them, including the removal of the NTBs. The NAMA 11 Group of developing countries

(Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela) have formulated and submitted a paper proposing the establishment of a NTB resolution mechanism.